

b. Amount of Insurance

The policy shall be in an amount equal to 100% of the current replacement costs of the Project facilities, including the individual units in a Common Interest Community Project. Coverage does not need to include land, foundation, excavation or other items that are usually excluded from insurance coverage.

Premiums are to be paid as a common expense and funds to cover the deductible amounts are to be included in the Association's reserve budget with a maximum 5 year expense period.

The maximum deductible amount for policies covering Common Interest Communities is \$25,000.

Additional coverages, if applicable:

- i. Agreed Amount and Inflation Guard Endorsement.
- ii. Building Ordinance coverage, which insures against loss caused by enforcement of ordinances or laws regulating construction and repair of buildings damaged by a covered cause of loss. Coverage includes loss of the undamaged portion of the building, cost of demolition of the undamaged portion of the building and increased cost of construction.
- iii. Steam Boiler and Machinery Coverage Endorsement, which provides that the insurer's minimum liability per accident equals at least the lesser of \$2 million or the insurable value of the building(s) housing the boiler and machinery.
- iv. For Common Interest Community Projects, a Special Condominium Endorsement must insure that:
  - Any Insurance Trust Agreement will be recognized;
  - The right of subrogation against unit owners will be waived;
  - The insurance will not be prejudiced by any acts or omissions of individual unit owners not under the control of the Association; and
  - The policy will be primary, even if a unit owner has other insurance that covers the same loss.